

BALANCING COSTS AND SERVICES

A Five Year Service Level and Revenue Projection With Analysis

The Shopping Trip

You have just parked in the supermarket's parking lot and gone inside. As you stand at the beginning of the first aisle with your shopping cart, you see a variety of items for sale on the shelves. Some goods are necessities such as bread and milk. Others are luxuries such as smoked salmon or lobster. In selecting items and placing them in your shopping cart, you note the differences in quality, quantity, and price. As you are completing your trip to the supermarket, you arrive at the check-out counter. It is at this point that you have an opportunity to calculate the total cost of the individual selections that were made, and whether or not you have funds available to purchase them. Not wanting to come up short at the check-out counter, you have had to carefully select each item in accordance with your shopping list. Decisions and choices were made. You feel comfortable with the results.

Service Levels

Selecting levels of municipal services for the citizens of Salisbury is a lot like a trip to the supermarket. Decisions on service levels for various municipal services must be made in accordance with our "shopping list". For example, decisions regarding the selection of the City's Insurance Services Office (I.S.O.) fire rating must be made. There are significant differences in the level of fire service offered by a volunteer fire department and a class two I.S.O. rated fire department. Questions regarding the number of lane miles of roads to be resurfaced and the level of police patrol must be decided. Priorities must be set in order to select not only the different kinds of services to be offered the citizens of Salisbury, but the varying levels of services offered. Quality of service and the full spectrum of costs must both be considered.

In the following analysis, each service department has prepared cost estimates to provide three different levels of service. This analysis includes the purpose of the department, a graph of the three expenditure projections, and a description of the services provided, eliminated, or added.

The current service level represents the level of service that the department currently provides the public or other City departments. The reduced service level represents a level of service below that which is currently provided. It may include such items as reduced staffing, elimination of capital expenditures, reduced maintenance of equipment and facilities, or elimination of a current program. An enhanced service level represents a level of service that is higher than what is currently provided. This enhanced service level might include such items as additional personnel, additional capital expenditures, or new programs. Using FY2005 as the base year, each level of service was evaluated and cost estimates were developed for a five-year period. These estimates detail personnel, operations, and capital outlay.

In reviewing each department's three proposed service levels, the City Council has the opportunity to determine the financial impact of selecting various levels of municipal services for our citizens. Some departments' reduced service levels represent the elimination or shifting of personnel, the elimination or deferral of capital outlay, special projects, or specific programs.

This listing of service levels is similar in many respects to the trip to the supermarket. North

Carolina General Statutes require the City to provide certain services. Other services may be selected based on the desire of our citizens and their willingness to pay for a particular level of service.

Revenue Structure

The City's General Fund has five major sources of revenues: taxes, licenses and permits, intergovernmental revenues, charges for services, administrative revenue, and miscellaneous revenues. Taxes are composed of property, sales, auto, and dog taxes. Licenses and permits are composed of privilege licenses and cable television franchise fees. Intergovernmental revenues are composed of grants and state-shared revenues. Charges for services are composed of user fees and reimbursed charges. Administrative revenue represents the Water and Sewer Fund contribution to the operations of the General Fund. Miscellaneous revenues are composed of interest revenue, sales, and revenues not allocated elsewhere.

It would appear that with these various revenue sources, the generation of revenue to meet service level expenditure requirements would be a simple task. This, however, is not the case.

Revenues available to finance our local government can be characterized as either "elastic" or "inelastic". Elastic revenues are highly responsive to changes in the economic base and inflation. As the economic base expands or inflation goes up, elastic revenues rise in roughly proportional or greater amounts. Likewise, they go down during times of deflation and recession. For example, sales tax revenue, though the tax rate remains the same, increases during better economic periods due to the increase in retail business and declines during poor times. Yields from inelastic revenue sources, such as user fees and charges, are somewhat unresponsive to changes in economic conditions and require that government officials change fees and charges to obtain a change in revenue. Most City revenue sources are inelastic. Two of the few remaining elastic revenues the City has are sales tax revenue and privilege licenses.

Some revenue types such as Powell Bill and sales taxes are distributed within Rowan County based on population. The increased population in the County and in other County municipalities has decreased Salisbury's share of those revenues. The overall share of these revenues will continue to decline without annexation or extensive new growth annually.

The City has also faced the State tampering with state-shared revenues and reimbursements. In the past, the State had eliminated property tax on retail, wholesale, and manufacturers' inventories. They then placed a cap on income to municipalities from intangible taxes, utility franchise taxes, and inventory reimbursements. The cap on utility franchise taxes expired in FY1995. The intangible property tax was repealed by the General Assembly and replaced with an annual appropriation. Both the intangible property tax and inventory reimbursements were subject annually to the whims of the General Assembly for funding and also subject to being withheld by the Governor to balance the State's budget if needed. The City also discovered in February 2002 that other revenues that are collected by the State and remitted to the City are subject to being withheld by the Governor to balance the State budget.

During the 2002 General Assembly, reimbursements from the State were totally eliminated. This resulted in a loss of revenue to the City in its FY2003 budget of \$1,550,000. The General Assembly did approve an additional one-half cent sales tax for counties to levy. Rowan County passed the additional one-half cent sales tax that provided additional receipts for seven months in

FY2003. In addition to granting counties the ability to levy an additional one-half cent sales tax, the General Assembly provided a hold-harmless clause for those governmental units, like Salisbury, where the additional one-half cent sales tax would not generate the same amount of revenue as the lost reimbursements. Unfortunately, this hold-harmless provision did not take effect until FY2004. These actions by the General Assembly forced the City to cut almost \$1.2 million dollars from its FY2003 budget. The City eliminated almost all of its General Fund capital budget and most of its special projects as a result of the loss of these reimbursements.

The City directly controls only property taxes, user fees and charges, privilege licenses, and the Water and Sewer Fund contribution (which is actually a reimbursement for services performed in the General Fund on behalf of the Water and Sewer Fund). These four revenues are the only ones that City Council can increase or decrease at will. During FY2005, these four sources in the General Fund account for 68.6% of total revenue. The City lacks control over all other revenues.

Property taxes may be adjusted in two ways. The tax rate can either be changed, and/or the assessed value of the property can be raised or lowered. Each year, City Council sets the property tax rate as part of adopting the annual budget ordinance.

User fees and charges for some services have been established to reimburse the City for all or part of the cost for services. City Council has absolute control over both services for which to levy a fee and the amount of that fee.

Privilege licenses are controlled by both the State and City Council. A city may levy a privilege license on certain types of businesses and professions as established by State Statutes. The State also sets a maximum rate for some businesses and professions. Most businesses, however, do not have a maximum license rate or amount. City Council has the authority to set a license rate and/or amount for these businesses.

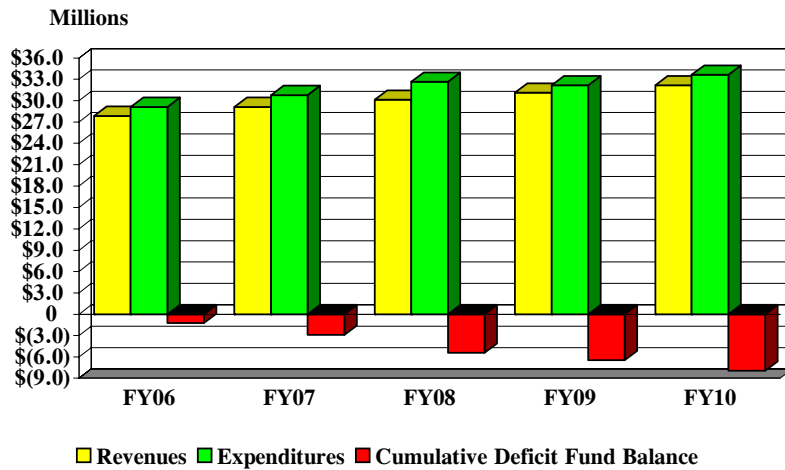
Administrative revenue is the Water and Sewer Fund's contribution to the operations of the General Fund. It represents the Water and Sewer Fund's share of expenses incurred in the General Fund for services such as water and sewer billing, financial administration, fleet management, purchasing, personnel administration, legal, and general management services. The funding of the contribution is a component of the water and sewer rates set by City Council and should not exceed the actual costs incurred in the General Fund for the Water and Sewer Fund's operations.

In summary, most City revenues can be characterized as inelastic with no City control. The City controls only property taxes, user fees and charges, privilege licenses, and administrative revenue.

Comparison Of Projected Expenditures For Five Years To Forecasted Revenues

As shown in Exhibit 1, projected expenditures are anticipated to exceed projected revenues over the next five years at current service levels. There are two primary reasons for revenues lagging expenditures. First, the economy has been slow over the past three years and still shows no signs of recovering quickly. One of the City's primary revenue sources is the sales tax as discussed earlier. With the sluggish economy, people are postponing the purchases of new goods. This in turn affects the amount of sales tax receipts for the City. But as the economy improves, the growth rate for property taxes and sales taxes will increase in future years. For FY2006, the City Council will face some tough decisions on maintaining the current service level while trying to address capital expenditures that have been deferred over the last several years due to the loss of revenue

**Exhibit 1
REVENUE COMPARED TO
CURRENT LEVEL EXPENDITURES**



withheld by the State. The current revenue structure will not support expenditures without modifications to existing service levels or future tax rate increases, increased fees on services, or new fees for services.

The City also needs to continue to pursue the annexation of qualifying areas surrounding it. Failure to systematically annex eligible areas will result in increased tax rates

and/or lower service levels over time since the residents of these areas do increase the demand for services within the City. These areas have significant property valuations and population that will allow the City to continue to grow while meeting the service demands requested by its citizens.

Previous Budget Actions

City Council each year evaluates additional measures that address revenue options, increased productivity measures, increased services, or the elimination of services. Actions taken included a major step in FY1999 to increase revenues to continue to provide existing service levels. City Council was provided options that would match revenues to expenditures through a combination of revenue enhancements and service reductions. After reviewing their options, City Council trimmed some service level enhancements, increased the property tax rate and added a commercial waste collection fee. This action allowed the City to continue providing current service levels for its citizens.

In FY2001 in response to a request from the citizens to address improving and maintaining viable neighborhoods, City Council increased the tax rate by three cents to fund an increase in service levels in the Fire Department, Police Department, and Community Development.

In FY2002, City Council had each department review its budget for items other than personnel and capital and make a 22% reduction in discretionary line items. These cuts were made to have a minimal impact on the current service level and eliminate the need to increase the tax rate.

The declining economy took its toll on ongoing revenues in the FY2003 budget. Property taxes did not generate a significant increase and most elastic revenues were showing decreases from the prior year. City Council approved a budget that eliminated almost \$1.2 million in ongoing expenditures to match the expenditures of the City to projected revenues. This action included the elimination of seventeen full-time positions, ten summer positions, and one part-time position. Four positions were also frozen.

For FY2004, revenue projections were still flat, but the pent-up budgetary needs were nonetheless evident. Furthermore, the City had committed to repayment to the State of North

Carolina for noise barriers and sidewalk improvements along with attaining goals related to the community. The budget proposal was for an effective tax rate increase of \$.04 per \$100 assessed valuation. But due to economic conditions within the area, Council did not feel that the tax increase was acceptable and opted for an increase of \$.02 per \$100 assessed valuation, further deferring needs and goals attainment.

In FY2005, the City Council took several bold steps to respond to the national recession that was still severely impacting revenues. In order to maintain the existing level of services to our citizens, City Council approved an increase of \$.035 per \$100 assessed valuation and enacted a \$10 tax on all vehicles. Over the last couple of years, the North Carolina General Assembly had modified the funding formula for municipalities in state-shared revenues for roads. This shifted a share of the revenues that had been distributed to the municipalities back to the state. This action had resulted in a decrease in state-shared revenues of approximately \$200,000. The new \$10 tax on vehicles is expected to generate approximately the same amount.

How Do We Finance Local Government in the Future?

After City Council selects the desired service levels, the question becomes "how to generate sufficient revenues to finance these levels?" Currently, property taxes, user fees and charges, privilege licenses, and water and sewer rates are the only revenue sources the City controls. Each of these sources has both advantages and disadvantages.

The property tax possesses several elements which characterize its usefulness: it provides a stable source of revenue; it is easily administered; it is relatively easy to adjust; and it taxes nonresident property owners who benefit from local services.

Conversely, the property tax is ranked as the most unpopular tax along with the federal income tax. Reasons for this unpopularity include: the property tax falls on unrealized capital gains (as opposed to income); it is collected in a large lump-sum amount; and there is anxiety about perceived inequities associated with property reappraisal.

User fees and charges accounted for 7.6% of FY2005 revenues, a slight decrease of .7% from FY2004. Historically, the City has not used this revenue source to generate funds for operations. Advantages to user fees and charges include: charges increase users' awareness of the cost of providing a particular service; they give the City a clear indication of the level of service selected by citizens based on service usage; service charges are equitable in that the benefits of the service are paid for by those using the service; they ensure that service delivery decisions are based on the relationship of service levels to demand; and they focus on the cost of service.

A negative public reaction to services which have been provided for "free" in the past can generally be expected as user fees and charges are implemented. Generally, revenue to support certain services has gone unnoticed as the support has been derived from many sources of municipal revenue. Cost analysis is the basis for the equitable implementation and administration of user fees and charges. Exhibit 2 shows examples of the types of user fees and charges the City could use. Also included are suggestions on the extent to which user fees and charges should cover the cost of a particular service.

Privilege licenses are levied on businesses and professions in the City limits, within the statutory authority of the General Assembly. This revenue accounted for 1.1% of the General Fund's

Exhibit 2

revenue in FY2005.

Receipts from this source come from both variable and fixed charges. State Statutes regulate the license rate for certain businesses and professions while exempting others. The City uses rates set forth in the State Statutes. All other businesses fall under the City's gross receipts tax. Under this provision, a business is taxed at a percentage, set by City Council, of its adjusted gross receipts.

Advantages to using privilege licenses as a revenue source to support local government include: the ease of administration; it can be easily adjusted; and changes in privilege license revenue increases proportionally to the local economy.

Administrative revenue represents the Water and Sewer Fund's contribution to the operations of the General Fund. Any increases or decreases in this revenue should be the result of a change in the cost of the services provided by the General Fund to the Water and Sewer Fund. This revenue source provides a method to recover the cost of services for the Water and Sewer Fund provided by the General Fund.

Besides the revenue options reviewed above, City Council may want to consider supporting changes in the NC General Statutes which could provide the City with additional sources of revenue. Four examples of changes in the statutes the City could utilize to increase revenues include a real estate transfer tax, a local income tax, prepared foods tax, and an auto tax. All four sources are used successfully by municipalities in other states. In North Carolina, some municipalities are already using the auto tax and prepared foods tax. Authority currently exists for the City to levy a ten dollar charge per vehicle whose proceeds are undesignated. Authority to levy an additional charge per vehicle must be approved by the General Assembly. In addition to changes at the local level, it is apparent that North Carolina local government will need the assistance of our General Assembly in addressing these challenges to finance local government.

Conclusion

The challenge of financing local government is a complex issue. Providing balanced revenues to equitably finance local government services and capital needs is a significant problem facing all local governments across North Carolina and the Country. With declining State and Federal assistance to cities, the citizens of Salisbury will receive the level of local government services for

SERVICES FOR WHICH LOCAL GOVERNMENTS COMMONLY CHARGE A FEE

Recreation and leisure activities

Athletic fields (P)
Athletic leagues (F)*
Auditorium/civic center (F)
Concession rental (F)
Equipment rental (F)
Parks (P)
Recreation center rental (F)
Recreation classes (F)*
Swimming pools (P)
Tennis courts (P)

Planning and economic development

Annexation (F)
Development guide or manual (F)
Maps (F)
Plat processing (F)
Zoning variance (F)

Sanitation

Landfill (P)
Large-item solid-waste pickup (F)*
Solid waste collection (F)
Street cleaning (P)

Public works

Abandoned-vehicle removal (F)
Barricades (F)
Cemeteries (P)
Curb cuts (F)
Maps (F)
Sign permits (F)
Street cuts (F)
Weed cutting (P)

Police protection

Accident and offense reports (F)
DWI processing (F)
Funeral escorts (F)
Other special-occasion escorts (F)
Police services at special events (F)
Serving warrants (F)
Vehicle impoundment (F)

Miscellaneous

Document search (F)
Meeting room rentals (F)
Photocopying records (F)
Vending machine space rental (F)

"F" means that the fee for service should be set so as to recover the *full* cost of providing the service. An "F*" indicates that full cost pricing should be required only for certain classes of users; a partial subsidy should be provided for some users, such as the elderly, children, or nonprofit organizations.

"P" means that the fee for service should be set so as to recover only *part* of the cost of the service. A partial subsidy is justified for any one or all of the reasons discussed in the chapter.

Source: Adapted from Robert L. Bland, *Financing City Government in Texas: A Revenue Manual for City Officials* (Austin: Texas Municipal League, 1986)

which they are willing to pay. Setting priorities has become more important. We may not be able to "be all things to all people".

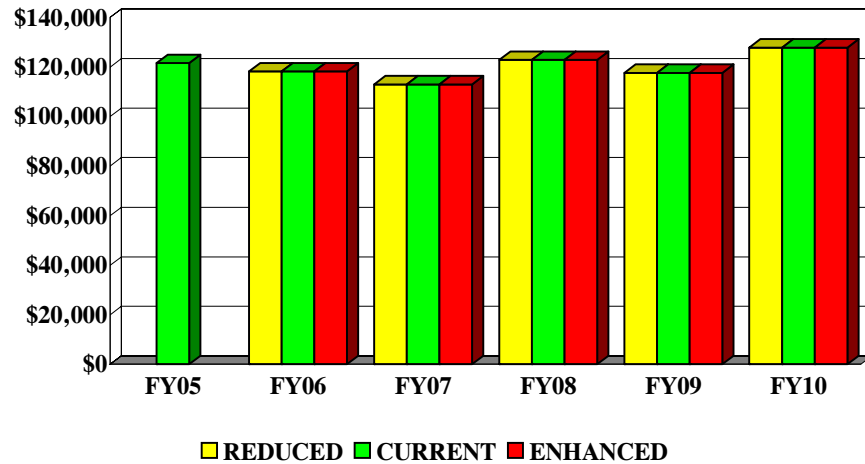
This analysis of local government revenues and the corresponding projection of local government expenditures is updated each year by the City's Management Services Department. This report anticipates local government revenue shortfalls in meeting local government service demands. Simultaneously, it is recommended that the City evaluate all existing and alternative sources of revenue available to finance local government. With this tool in hand, City Council will be in a better position to: equitably raise revenue to support local government services, determine the level of services offered to our citizens, consider certain productivity improvements to reduce local government costs, and determine priorities for the types of local government services offered. This approach offers no easy solutions. However, it provides our local government leaders options for addressing the financing of Salisbury's local government services.

CITY COUNCIL

Statement of Purpose

To function as the duly elected representatives of the citizens of Salisbury in creating and maintaining a balanced quality of life in accordance with North Carolina State Statutes and Federal law. To promote positive intergovernmental relationships with federal, state and other local governments. To generate and maintain up-to-date municipal codes, establish public policies, and adopt budgets designed to provide effective, efficient municipal services. To provide safety and security for all citizens, to protect the environment and to improve the overall quality of life in our community. To provide leadership and support for the continued economic development and planned growth of the community.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Establish and maintain public services and facilities deemed necessary or desirable for the health, safety, comfort, welfare, convenience and good order of the public
- Provide for the organization of City government
- Provide for a City Manager under the Council/Manager form of government and a City Attorney in accordance with the City Charter
- Create and establish, by ordinance or resolution, Authorities, Boards and Commissions, as it may deem necessary or appropriate for the administration, regulation, operation, services, activities, and functions which the City is authorized by law to perform, regulate, and continue
- Make and provide for the execution of regulatory ordinances
- Provide for planning, sub-division and building regulations
- Schedule regular and special public meetings and public hearings in order to hear the public and conduct City business
- Provide for a Code of Ordinance in accordance with State Statutes

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

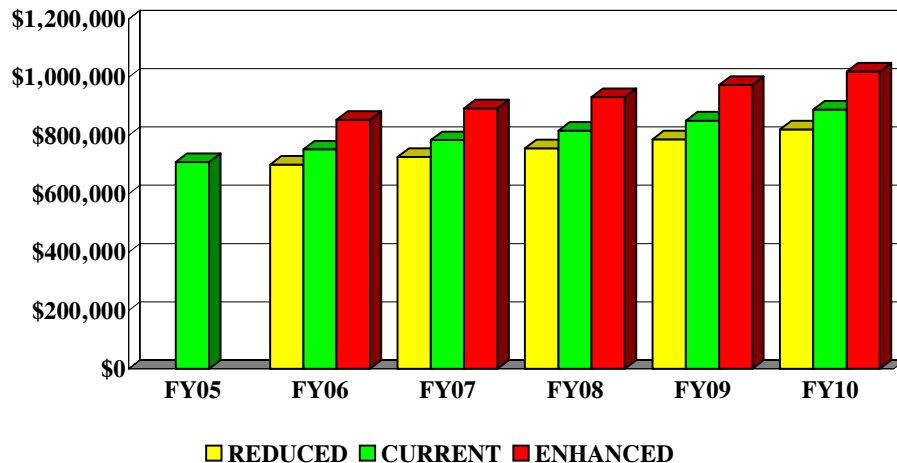
- No enhanced service level is proposed

CITY MANAGEMENT AND ADMINISTRATION

Statement of Purpose

To serve as a central source of information, advice and support services for the City Council. To manage and coordinate preparation and presentation of the annual municipal budget to the City Council, with subsequent responsibility for its implementation, control, and general management. To assist the City Council in the formulation of municipal public policy. To manage and coordinate preparation and implementation of the City's Strategic Planning and Goal-Setting process. To provide professional leadership and counsel to the City staff in carrying out the work of the municipality in an effective, efficient manner; to provide a central source for the collection, storage and dissemination of official municipal records and documents. To provide risk management services for the municipality that includes safety, liability insurance management, worker's compensation, OSHA compliance and third party claims against the City. To implement goals and special projects as may be assigned by the City Council.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Direct and supervise the administration of all departments, offices and agencies of the City
- Recommend to the City Council policy or other matters affecting the City
- Ensure that all laws of the State, the City Charter, ordinances, resolutions and regulations of the City Council are faithfully executed in the City
- Prepare and submit the annual budget and capital improvements program to the City Council
- Submit annually to the City Council and make available to the public a complete report on the finances and administrative activities of the City
- Present reports to the City Council concerning the operations of City departments
- Award, approve and execute contracts including the acquisition of real property by the City in accordance with state and local laws and ordinances
- Recommend the adoption of a classification and compensation plan, performance appraisals and other personnel ordinances and regulations to the City Council
- Schedule items for and prepare minutes of City Council meetings and other proceedings
- Maintain and safeguard public records and official copies of City documents
- Assist the City Council in a goal setting and goal evaluation process
- Provide for executive development of City Council and City Management Team
- Respond to requests for information from the general public
- Provide administrative support to the Mayor, the City Council and the City Manager
- Coordinate activities with various City departments, citizens, other governmental units, outside agencies and organizations
- Direct, oversee, and participate in the development of the departments' work plan

- Monitor and review the City's liability insurance program
- Receive, review, and process annexation petitions and street and alley closing petitions
- Provide for legal assistance for the City Council, Management Team and the Municipal Corporation
- Maintain and update a Code of Ordinances for the City
- Provide a comprehensive safety and risk management program that includes training, inspection, investigation, and accident review

Reduced Service Level:

- Reduce level of clerical support

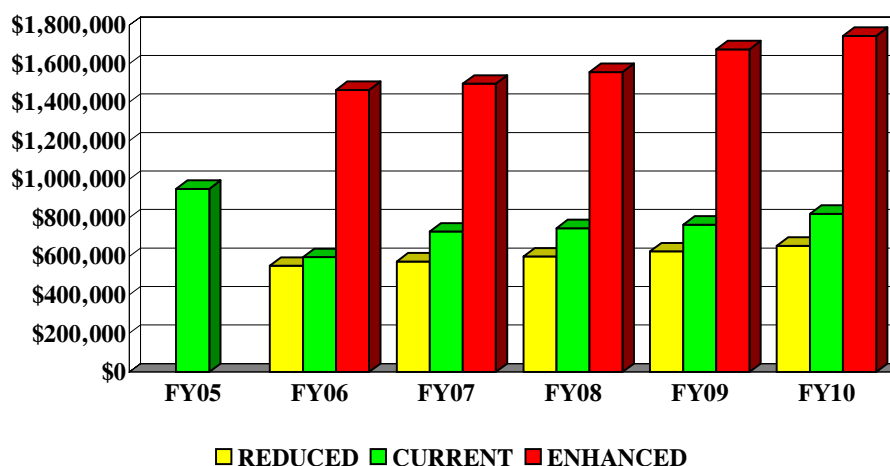
Enhanced Service Level:

- Add position for enhanced office support
- Provide a Public Information Officer for the City

HUMAN RESOURCES

Statement of Purpose

To provide a centralized source of support and assistance to the City related to its need for the management of Human Resources. Specific functions include: providing general personnel administration, recruitment and selection, training and development, health and wellness, compensation and benefits administration and a city-wide multicultural program.



COMPARISON OF SERVICE LEVELS

Current Service Level:

- Provide systems to recruit, screen, and select City employees
- Coordinate employee separations, promotions, and reclassifications
- Provide a comprehensive employee benefits program
- Manage the employee classification and compensation system
- Manage the employee performance appraisal system
- Provide management, supervisory, and employee training programs
- Provide general employee orientation and coordinate departmental employee orientation
- Provide an annual employee service awards and recognition program
- Provide personnel policy and employee handbook
- Provide an Employee Assistance Program
- Provide employee relations assistance and consultation to managers, supervisors, and employees
- Manage the City's Affirmative Action Program
- Monitor employment trends relative to the City workforce
- Provide a comprehensive drug testing program
- Coordinate the police officer selection and promotion processes

Reduced Service Level:

- Not provide comprehensive employee benefits program
- Provide bimonthly general employee orientation
- Eliminate management, supervisory, and employee training
- Eliminate employee awards and recognition program
- Eliminate employment trends monitoring

Enhanced Service Level:

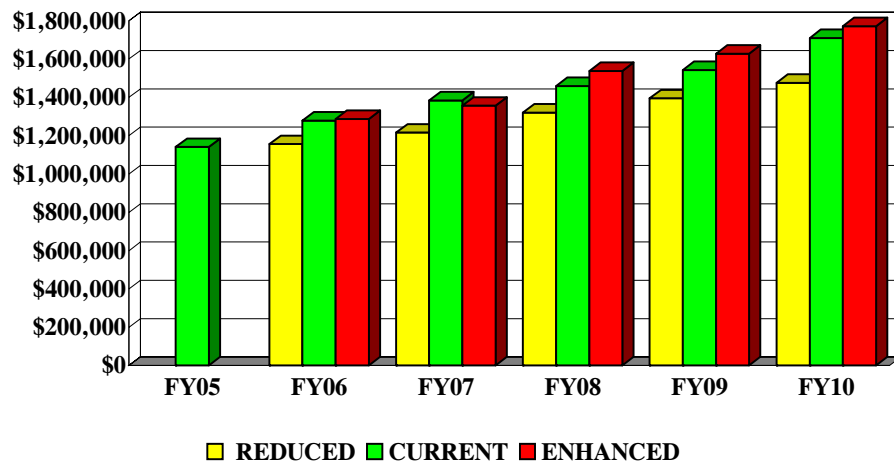
- Provide extensive in-house benefits counseling and administration
- Provide in-house management, supervisor and employee training and career development programs
- Provide extensive in-house occupational health/wellness program
- Provide extensive in-house Employee Assistance Program
- Provide extensive retirement/health benefits
- Provide recruitment incentives
- Provide scheduled salary adjustments annually
- Provide enhanced level of recruitment efforts for Police and Fire Departments
- Provide full broad banding salary plan including career development incentives
- Provide enhanced performance evaluation system
- Provide in-house volunteer recruitment and selection program
- Provide a community-wide multiculturalism program
- Provide an employee community volunteer leave program

MANAGEMENT SERVICES-ADMINISTRATION

Statement of Purpose

To provide a centralized source for handling the financial affairs of the City including: maintaining a financial record-keeping system, protect municipal assets as required by the Local Government Commission Fiscal Control Act, manage the City's debt service program, prepare and monitor the annual and five-year budgets, prepare standards for performance and benchmarking, utilize an investment program for the City's idle cash, provide payroll and disbursement services, collecting utility and other revenues, provide a source of information and support related to the purchase/lease of supplies, equipment and contractual services, manage a fixed asset system, and maintain a technology system that provides state-of-the-art data processing, computer, telephone, and telecommunications capability.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide a biweekly payroll
- Provide weekly processing of outstanding accounts payable
- Provide monthly billing of water and sewer services
- Provide billing of business privilege licenses
- Collect receipts for water and sewer, privilege licenses, and other miscellaneous accounts receivable
- Provide daily posting and deposit of city receipts
- Provide assistance for water and sewer customers
- Assist in preparation of annual budget, budget documents, and budget amendments
- Provide assistance to auditors with the annual audit
- Prepare annual financial statements
- Provide maintenance of City general ledger and all subsidiary ledgers
- Prepare reports for other governmental entities
- Monitor cash requirements and invest available cash
- Coordinate authorization and issuance of City debt
- Conduct periodic inventory of fixed assets
- Participate in the North Carolina Local Government Performance Measurement Project
- Prepare and maintain fixed asset records
- Prepare annual Powell Bill financial report
- Provide special reports and projects as requested
- Provide part-time grants support
- Coordinate bank services, including direct deposit and direct debit
- Provide support to prepare and monitor the budget and produce benchmarking and performance measurement evaluations

Reduced Service Level:

- Eliminate Account Clerk position, which decreases timely information in general ledger maintenance and reporting function
- Eliminate a customer service clerk which reduces support for utility customer assistance
- Reduce processing for accounts payable to biweekly cycle
- Reduce investment opportunities to low yield overnight markets
- Eliminate Mail Coordinator which requires each department to send individuals to other departments for mail and inter-office correspondence

Enhanced Service Level:

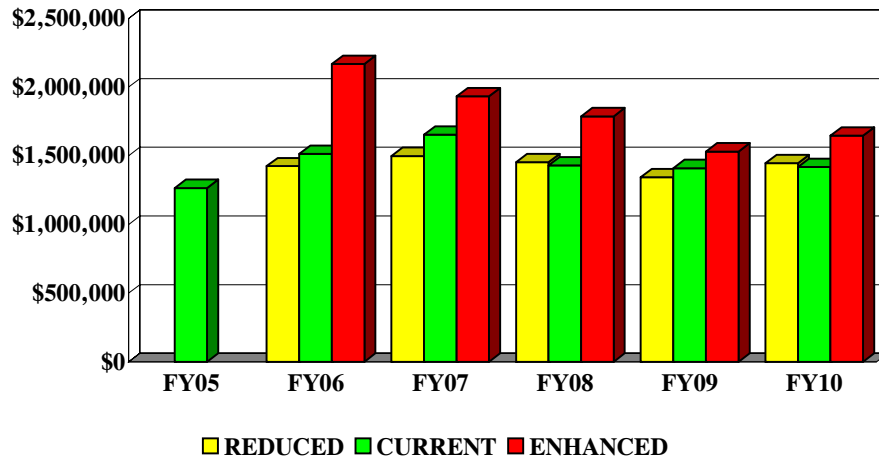
- Provide additional customer service support for utility, privilege license, and miscellaneous receivable billing and collection
- Provide additional collection support for delinquent receivables
- Provide additional support for benchmarking

MANAGEMENT SERVICES-INFORMATION TECHNOLOGIES

Statement of Purpose

To provide a centralized source of procedures, information and support related to the storage and electronic processing of data, business transactions, information and other computer-related capability.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Perform daily computer systems backup
- Maintain system security and system passwords
- Diagnose systems or software problems
- Plan and participate in the training of City personnel
- Assist users in resolving systems problems
- Plan and direct installation of new equipment
- Prepare documentation and instruction for users of systems
- Test and debug new software
- Maintain integrity of database
- Conduct feasibility studies
- Maintain efficient hardware configurations
- Design, implement, and monitor disaster recovery plan
- Evaluate and approve requests for computer hardware
- Initiate and monitor contracts for computer maintenance
- Continue implementation of information system plan
- Maintain City's fiber system network
- Design, implement, and monitor city network infrastructure
- Assist other departments with video applications
- Maintain sound system in Council Chambers
- Sell surplus inventory using online auctions
- Design, implement and monitor City's web site
- Design, implement, and monitor government/educational access channel
- Maintain and monitor citywide physical access and building security
- Issue identification badges
- Assist traffic operations with traffic cameras
- Assist traffic operations with maintenance of traffic signals
- Implement efficient and effective spam control
- Maintain and monitor spam software

- Maintain and monitor virus protections on citywide network
- Maintain and monitor internet connections citywide
- Maintain and monitor domain naming system information
- Maintain and monitor active directory
- Maintain and monitor servers citywide
- Implement, maintain and monitor wireless connections
- Install, maintain and repair mobile data units citywide
- Maintain and monitor automated software deployment
- Maintain and monitor firewall
- Maintain and monitor virtual private network
- Maintain and monitor multi-function printers

Reduced Service Level:

- Reduce scope of implementation of Information System Plan

Enhanced Service Level:

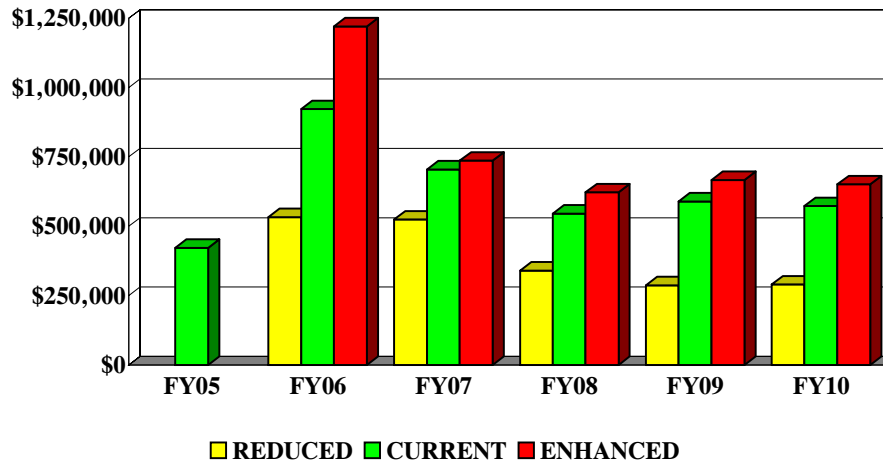
- Develop more in-house programs
- Develop in-house expertise in networking
- Expand implementation of Information System Plan

MANAGEMENT SERVICES-TELECOMMUNICATIONS

Statement of Purpose

To manage, coordinate and monitor the City's telecommunications system in the areas of telephone, radio, 9-1-1, cable, emergency services communications, and to specify, recommend and implement solutions to the City's communications needs.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide daily 9-1-1 service to city citizens
- Provide daily operation and maintenance for the City's radio systems
- Provide daily installation and repair service for the City's telephone and cable systems
- Operate and manage the tower site
- Manage and monitor citywide network fax system
- Manage and monitor City's unified messaging system
- Monitor cell phone usage
- Monitor and renegotiate cell phone contracts
- Act as City's cable franchise administrator
- Work with citizens to resolve issues with cable company
- Manage and monitor City's radio system licenses
- Work closely with County telecommunications to develop procedures and policies for 800 Radio Trunking System
- Manage and monitor City's internet contracts
- Manage and monitor City's telecommunications contracts
- Manage and monitor City's water tank, tower site and Plaza's antenna lease agreement
- Bill monthly for radios and pagers
- Issue, maintain, and monitor pagers and radios

Reduced Service Level:

- Eliminate 9-1-1 service to public
- Eliminate or defer purchases of telecommunications equipment

Enhanced Service Level:

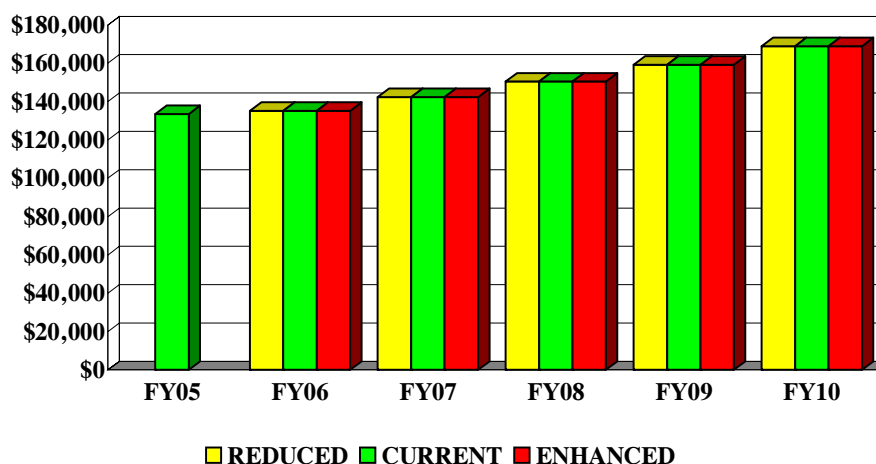
- Add telecommunications analyst in FY2006
- Increase scope of telecommunications upgrades

MANAGEMENT SERVICES-PURCHASING

Statement of Purpose

To provide a centralized source of procedures, information, and support related to the purchase and/or lease of supplies, materials, equipment and contractual services for the City and to manage and maintain a system of fixed asset identification, reporting and accountability.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Request and receive 132 quotations
- Request and receive 28 formal quotations annually
- Issue 642 purchase orders annually
- Assist in maintaining detailed records on the City's asset inventory
- Provide product knowledge and vendor information to user departments on a daily basis
- Assist in preparation of fleet specifications
- Provide contract administration services for various departments
- Receive, distribute and audit electronically 10,028 weekly transactions generated by the 193 users of the City's purchasing card program.
- Receive, distribute, and audit manually 1,382 monthly "paper" statements with receipts for the City's purchasing card program
- Receive, distribute, and audit manually 14,474 weekly fuel statements for the City's fueling requirements for 387 users

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

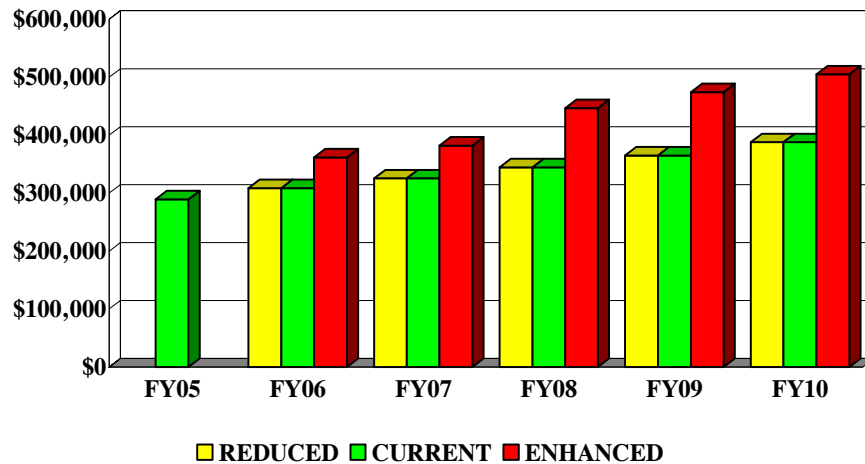
- No enhanced service level is proposed

MANAGEMENT SERVICES-FACILITIES MANAGEMENT

Statement of Purpose

To provide responsibility for buildings and facilities maintenance and repair as well as managing and coordinating new buildings and grounds construction projects. The division also is responsible for the management of ongoing municipal service contracts related to buildings and facilities.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Manage buildings and grounds contracted services
- Provide facility evaluations that encompass minimal replacement schedule projections, improvements, and repairs
- Provide maintenance and repair services to City facilities
- Provide owner representation for construction and repair projects
- Provide project management for capital and special projects
- Cost effectively manage contracted services, capital and special projects

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

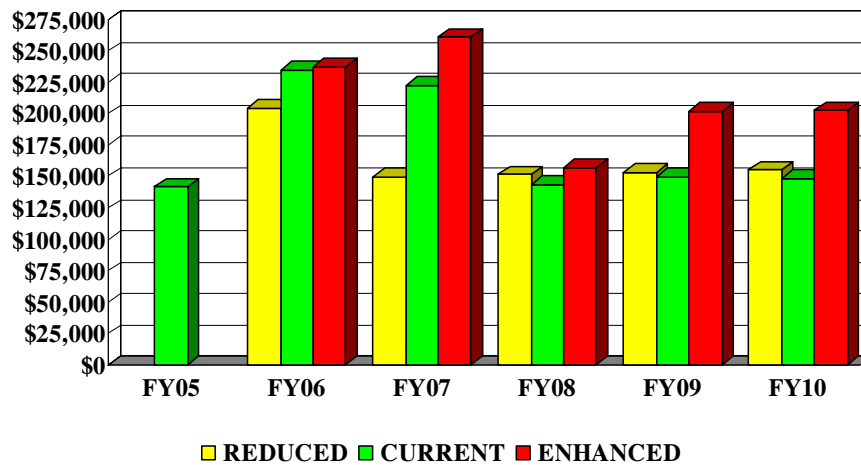
- Enhanced replacement schedule to meet facility needs
- Increase maintenance staffing to facilitate maintenance and repair projects necessary to adequately maintain facilities
- Increase custodial staffing to minimize contracted services for custodial work

MANAGEMENT SERVICES-CITY OFFICE BUILDINGS

Statement of Purpose

To provide centrally located facilities for holding meetings of the City Council, its boards and commissions and other groups who may from time-to-time need public meeting space. Additionally, to provide office and conference space for the Mayor, City Manager, Management Services, Human Resources, Recreation Administration, Land Management and Development and other support staff engaged in the operation of municipal government in Salisbury.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide space for public meetings
- Provide central facilities to house administrative and some operating departments
- Provide maintenance and cleaning services for city office buildings

Reduced Service Level:

- Reduce/defer funding for renovation of office space

Enhanced Service Level:

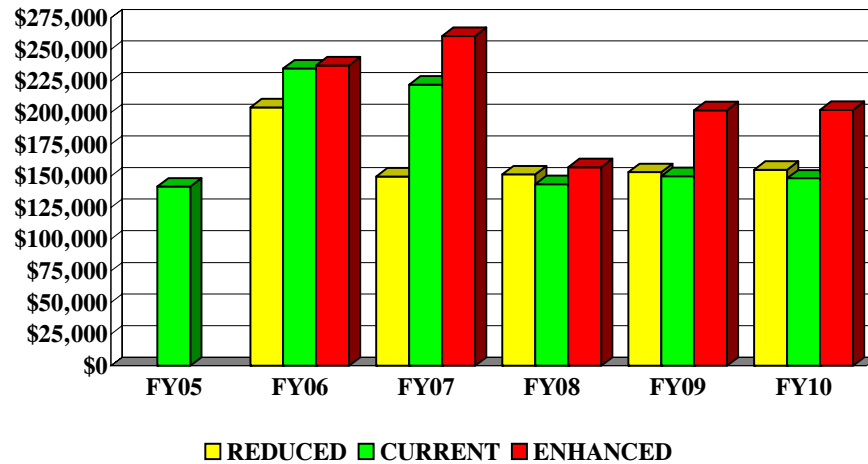
- Provide for further renovation of meeting and office space and exterior enhancements

PLAZA

Statement of Purpose

To continue ownership and management of the Plaza, originally structured as a public/private partnership to increase economic vitality in the central business district, establish new housing units in the downtown area and provide additional office facilities and meeting space for the City. The building is now fully owned by the City.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Improve economic vitality of downtown business district
- Provide additional centralized office, commercial, retail, and meeting space

Reduced Service Level:

- Reduce scope of repairs

Enhanced Service Level:

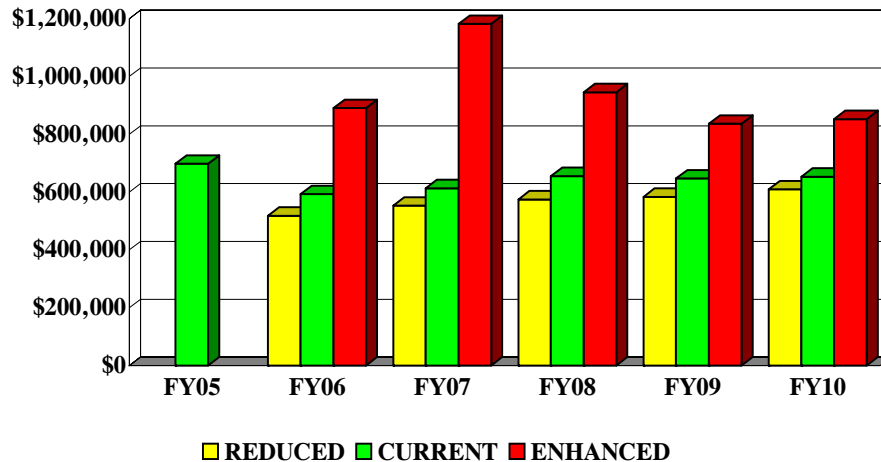
- Increase scope of repairs

LAND MANAGEMENT & DEVELOPMENT-PLANNING & COMMUNITY DEVELOPMENT

Statement of Purpose

To provide for a coordinated planning program to ensure orderly growth within the City to include population, land use, thoroughfares, public facilities, neighborhoods, zoning, subdivision regulations, and other specialized planning projects. To formulate, develop and recommend policies, plans and local ordinances intended to improve the overall appearance, livability and economic climate within the City and its resourceful community development activities.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide staff for the Salisbury Planning Board
- Prepare zoning reconnaissances
- Prepare and assimilate statistical and census data
- Prepare ordinances, code updates, and annexation studies
- Conduct board and commission training
- Carry out comprehensive planning
- Promote redevelopment within the central business district
- Staff Community Appearance Commission
- Provide design assistance for appearance issues
- Facilitate public/private development projects (i.e., Gateway, Innes Street projects, and neighborhood enhancements)
- Staff Historic District Commission
- Prepare facade and Innes Street grant programs
- Acquire and dispose of property related to City development projects
- Prepare work write-ups and inspections for housing rehabilitation
- Apply for Federal and State grant funds
- Administer Federal and State grant and loan programs
- Maintain City map files
- Provide for affordable housing in City
- Develop and implement plans for neighborhood development and assistance
- Develop geographic information systems (GIS) data to support City needs
- Implement Vision 2020 through code revisions and departmental policies

Reduced Service Level:

- Reduce scope of special projects

Enhanced Service Level:

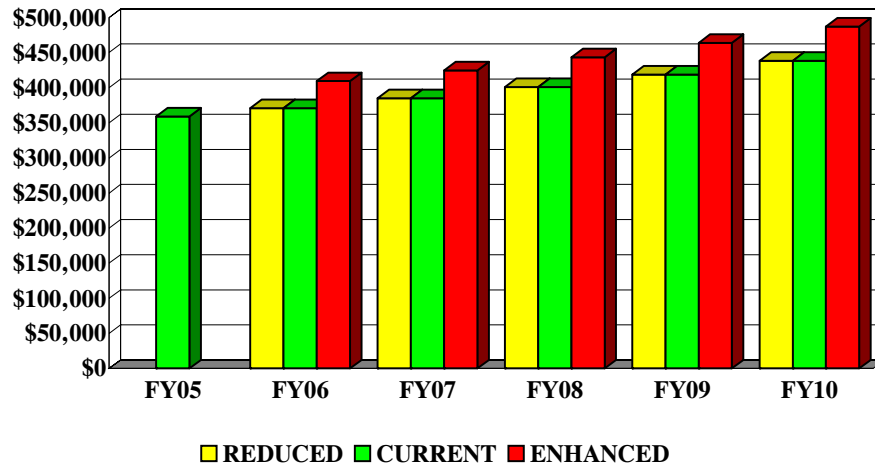
- Increase scope of special projects
- Improve historic preservation effort
- Enhance neighborhood improvement planning by hiring additional planner

LAND MANAGEMENT & DEVELOPMENT-DEVELOPMENT SERVICES

Statement of Purpose

To provide citizens, builders and developers a centralized source of information, permit services, code enforcement, zoning and special district boards support through a Development Services Center.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Administer and enforce City zoning
- Perform inspections to ensure compliance with various codes and ordinances
- Issue certificates of compliance
- Maintain files for all improvements and work performed, such as water/sewer connections, fees paid, driveway permits, zoning permits, grading permits, and for board and commission meetings
- Perform staff liaison and secretarial work for the Zoning Board of Adjustment and the Historic District Commission
- Receive complaints, investigate problems, and proceed with appropriate action for resolution
- Assist developers, contractors, and the general public in securing the appropriate permits and approvals
- Maintain a street address system as prescribed by City Ordinance and coordinate all addresses with emergency service agencies and the U.S. Postal Service
- Conduct a monthly Technical Review Committee meeting with various City, County, and State representatives
- Continuously update and maintain division files

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

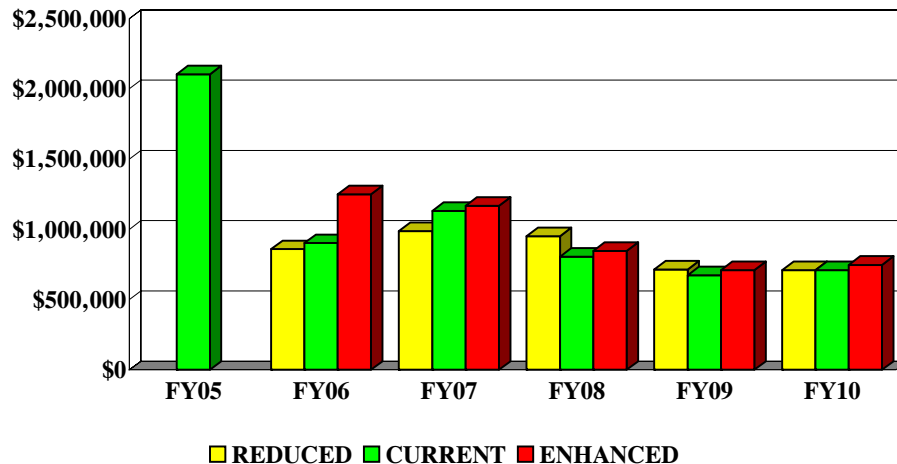
- Add additional Zoning and Code Enforcement Specialist in FY2006

LAND MANAGEMENT & DEVELOPMENT-ENGINEERING

Statement of Purpose

To provide a centralized source of general engineering services for the City including traffic engineering, review and approval of plans submitted by outside consultants, coordination of project activities initiated between the City and other agencies, and investigation of citizen requests.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Prepare annual Powell Bill map and certified statement
- Administer the subdivision ordinance and the floodway ordinance
- Prepare periodic reports for the City Council and NCDOT concerning traffic needs
- Administer the design and construction of state-funded small urban transportation improvements
- Administer the design and construction of City street improvements and special projects
- Respond to citizen requests concerning traffic studies, parking changes, and storm drainage projects
- Provide preliminary surveying for easement acquisition and design work
- Review designs submitted by outside consultants for conformance with City standards and policies
- Inspect construction projects for conformance with approved plans
- Administer voluntary annexations and alley closings
- Provide current City limits/street maps to all departments
- Design expansions to the greenway system
- Participate in Cabarrus-Rowan Metropolitan Planning Organization
- Implement NPDES compliance related to storm water quality

Reduced Service Level:

- Reduce the number and scope of special projects and extend completion time

Enhanced Service Level:

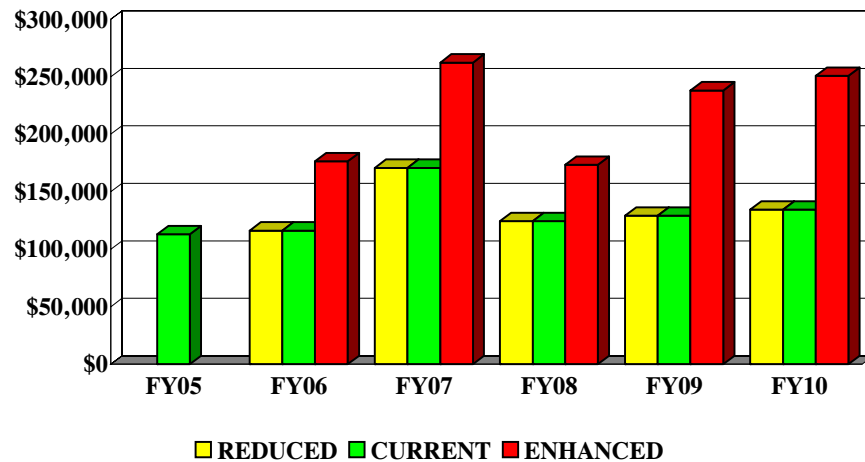
- Obtain consulting support to help implement NPDES compliance
- Increase efficiency studies of traffic signal timing
- Install decorative lights on the Innes Street Bridge
- Restore funding of storm drainage grants
- Participate in improvements to the Salisbury High School track and field
- Conduct a traffic calming study for the Fulton Heights neighborhood
- Reconstruct the 900 block of East Liberty Street (behind Towne Creek Commons)
- Widen Club House Drive

LAND MANAGEMENT & DEVELOPMENT-GEOGRAPHIC INFORMATION SYSTEMS (GIS)

Statement of Purpose

To serve as the centralized source of procedures, information, and support related to GIS data development and mapping for the City including data development, project coordination, and application development and support. The division coordinates efforts to improve data availability and data quality for City staff.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Develop and maintain centralized enterprise geospatial database
- Assist all City departments with GIS project design, development, and implementation
- Assist all City departments with GIS data acquisition and development to support City needs
- Maintain data layers for various departments, including Fire, Parks & Recreation, Planning, and Police
- Develop custom ArcPad applications to facilitate improved data collection
- Provide GIS training to City employees
- Implement GIS strategic plan
- Participate in NCOneMap, a comprehensive statewide geographic data resource
- Coordinate with Rowan County on cooperative data acquisition projects
- Coordinate with Rowan County on regional GIS needs
- Maintain state development zone boundary designation
- Maintain metadata for all City GIS data layers
- Compile, edit, and distribute a GIS newsletter to City staff and interested regional parties

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

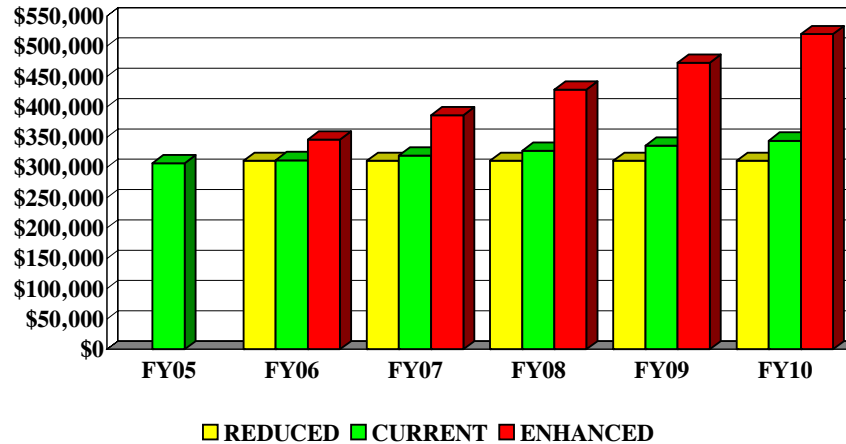
- Add GIS Programmer
- Add GIS Technician
- Develop and implement online application related to state development zone
- Develop and implement online application related to NPDES Phase II compliance
- Develop and implement online application related to park locator and amenity browser

LAND MANAGEMENT & DEVELOPMENT-STREET LIGHTING

Statement of Purpose

To provide for the lighting of the City's streets.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Maintain existing street lights
- Provide new street lights in new subdivisions
- Establish budget income line item to facilitate monthly payments by neighborhoods using the “decorative adder” payment option

Reduced Service Level:

- Maintain existing street lights, no new installations

Enhanced Service Level:

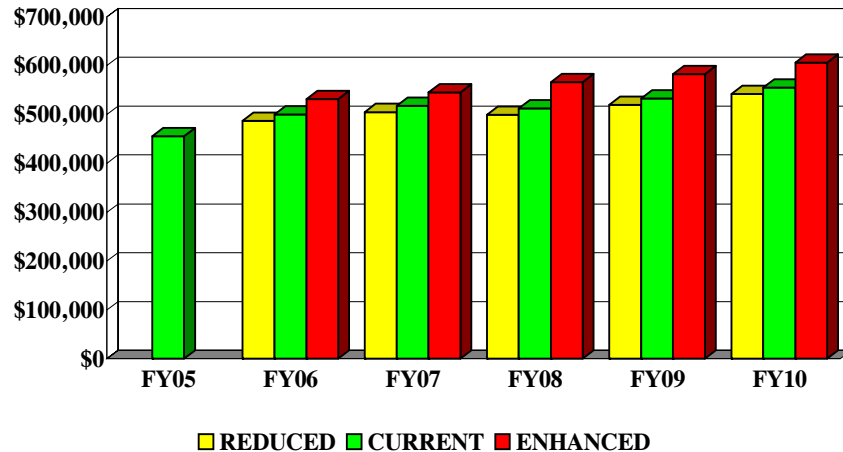
- Restore 5% annual increase for improved lighting for neighborhoods and thoroughfares (starting with Brenner Avenue)

POLICE DEPARTMENT-ADMINISTRATION

Statement of Purpose

To serve as the central management for all activities and operations associated with the Police Department.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Conduct internal affairs and complaint investigations
- Manage the rotation wrecker services
- Manage the inspections function
- Manage the Ride-along Program
- Manage the wellness program
- Coordinate the citizen's police academy
- Analyze vehicle pursuits, citizen complaints, uses of force, grievances and the personnel early warning system
- Conduct internal affairs and complaint investigations
- Provide general administration for department
- Provide fiscal management for departments (grants, payroll, inventory, purchasing)
- Plan annual budget for department
- Conduct planning and research
- Develop policy and procedures
- Supervise accreditation program
- Administer taxi permits
- Administer Project Safe Salisbury with grant-funded position

Reduced Service Level:

- Eliminate police chaplain program, diversity enhancement services, and wellness program

Enhanced Service Level:

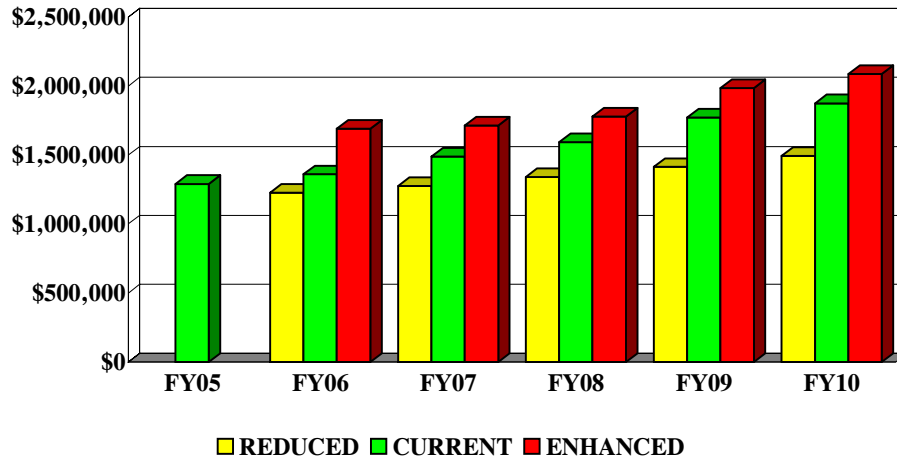
- Increase efforts for Crime Control Plan
- Increase funding for wellness program equipment
- Increase efforts for diversity enhancement
- Continue Project Safe Salisbury without grant funding for position

POLICE DEPARTMENT-SERVICES

Statement of Purpose

To serve as the support unit of the department providing telecommunications, clerical and secretarial services, evidence storage, animal control and tracking, D.A.R.E., crime prevention, a record-keeping system and building maintenance.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide 24-hour radio and telephone communications
- Conduct records management
- Provide for evidence/property management
- Provide crime prevention and nuisance abatement services to public
- Conduct Drug Abuse Resistance Education (D.A.R.E.) for local schools
- Provide animal control for City
- Provide downtown officer
- Provide training and recruitment
- Enforce parking control in downtown

Reduced Service Level:

- Eliminate parking enforcement officer and part-time animal control specialist
- Eliminate community service officer

Enhanced Service Level:

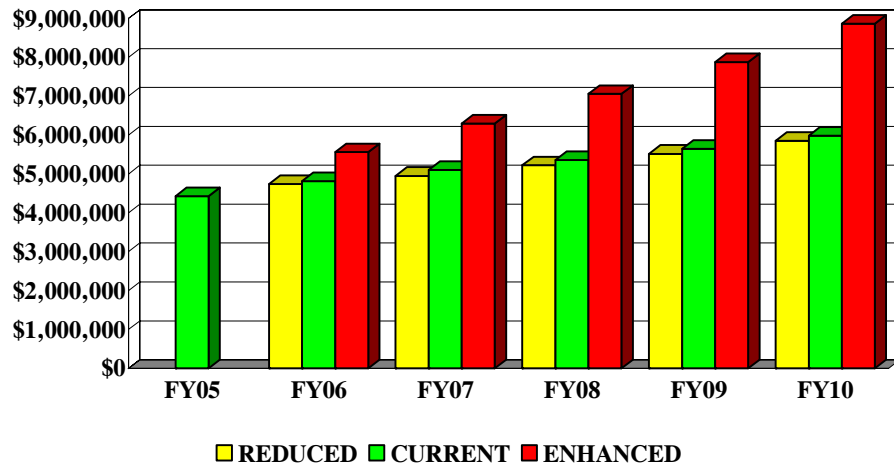
- Reinstate police telecommunications supervisor
- Add two telecommunications positions
- Add full-time animal control specialist
- Add one police information clerk and one police records clerk

POLICE DEPARTMENT-OPERATIONS

Statement of Purpose

To provide 24-hour law enforcement service for the citizens of Salisbury including: protection of life and property, traffic enforcement, investigation of traffic accidents, investigation of criminal activities, crime lab, school resource officers, crime analysis, and department armory.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide 24-hour police patrol
- Respond to calls for service from citizens
- Provide crime analysis
- Investigate criminal activity
- Provide for specialized investigation of criminal activity
- Investigate non-criminal complaints
- Conduct traffic accident investigations
- Provide traffic law enforcement
- Provide special response to high risk situations (e.g., hostage situations)
- Provide for special police operations (stakeouts, etc.)
- Provide for specialized drug enforcement
- Conduct building and property checks
- Enforce State and local laws
- Provide vehicle fleet management
- Provide special permits
- Conduct G.R.E.A.T (Gang Resistance Education and Training) to City middle school
- Provide school resource officers in middle and high schools and the alternative high school
- Add two police officers for the June 30, 2005 annexation

Reduced Service Level:

- Reduce patrol component by one officer
- Reduce equipment purchases

Enhanced Service Level:

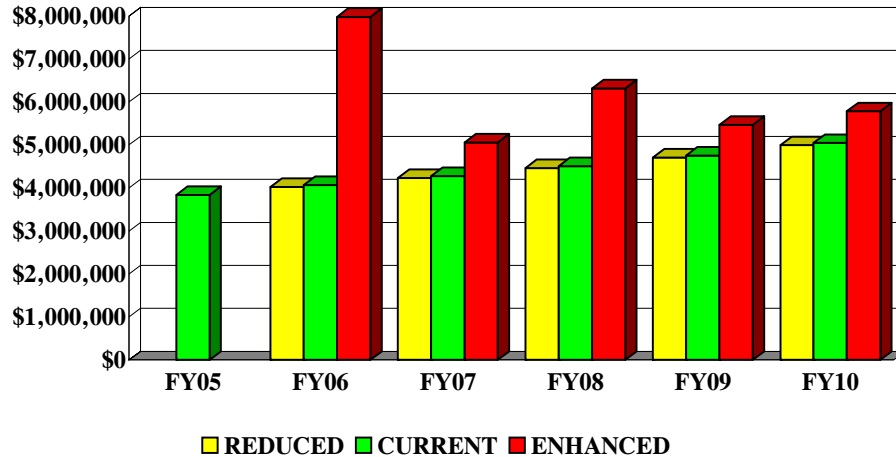
- Reinstate the two frozen patrol officer positions
- Add eight patrol officers annually to increase patrol coverage and related enforcement activities
- Add sergeant to Criminal Investigations Division
- Add detectives in the Criminal Investigations Division

FIRE DEPARTMENT

Statement of Purpose

To provide capable, well trained personnel and necessary equipment to suppress fires and effectively manage hazardous materials accidents that may occur in our community related to transportation or industry; to provide rescue services as needed and life support through an updated First Responder Program. To continue to work toward a more fire-safe community through loss prevention activities, including minimum housing responsibilities, building inspections, code enforcement, and public education programs.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Maintain high customer satisfaction through excellent customer service
- Suppress fire and mitigate emergencies
- Mitigate hazardous materials emergencies
- Respond as needed to provide care for medical emergencies
- Investigate suspicious fires for cause and origin
- Enforce fire and minimum housing codes through inspection services
- Review Strategic Plan for the Salisbury Fire Department
- Begin implementation of the Strategic Plan
- Review findings of ISO consultant and initiate activities to attempt to maintain Class II rating
- Reclassify the Minimum Housing Specialist to Fire Investigation/Inspection Specialist
- Conduct public fire education for schools and community groups
- Conduct water flow tests as needed for industry and insurance companies
- Provide blood pressure screening program for citizens
- Install free smoke detectors for the elderly and handicapped
- Maintain and instruct up-to-date state certification training
- Conduct product research and analysis
- Provide data management
- Prepare, submit, and administer departmental budget
- Monitor underground storage tank installations and removals
- Conduct plans review for new developments and industries
- Correct deteriorating conditions of fire department infrastructure
- Serve as emergency management coordination office

Reduced Service Level:

- Reduce/defer capital purchases and facilities maintenance

Enhanced Service Level:

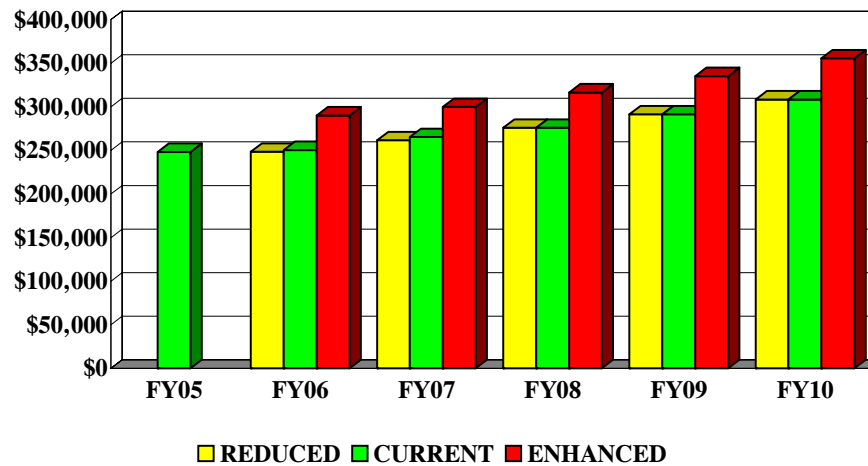
- Maintain high customer satisfaction through excellent customer service
- Adequate safety factor for our personnel and our citizens with the addition of a fourth fire station
- Implement Strategic Plan
- Hire architect and finalize drawings for new Station 50
- Begin construction on Station 50
- Hire/promote three Captains positions for Station 50
- Hire three Fire Control Specialist I/II (FCS I/II) for Station 50
- Transfer three Engineers and three Fire Control Specialist (FCS I/II) from Station 52 to Station 50
- Place Station 50 on Statesville Boulevard in operation
- Employ Fire Education Specialist
- Employ training captain
- Employ logistics assistant
- Hire two temporary positions for hydrant maintenance in FY2006
- Maintain ISO Class rating
- Research and possibly pursue and ISO Class I rating

PUBLIC SERVICES-ADMINISTRATION

Statement of Purpose

To serve as the central management and administration source for activities and operations related to the Public Services Department including Fleet Management, Landscape Operations, Cemetery, Hurley Park, Traffic Operations, Waste Management, Streets, and Transit.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Conduct daily planning/information sessions with division managers
- Maintain office hours for ten hours daily (7:00 am - 5:00 pm)
- Provide administrative and clerical support to seven division managers
- Provide real time response to public inquiries and/or provide immediate notification to division managers
- Provide temporary staffing in reaction to special projects or unforeseen circumstances
- Keep public those activities of the Public Services Department directly affecting the general public
- Provide code enforcement

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service:

- Addition of another code enforcement officer is proposed to enable us to provide more effective coverage

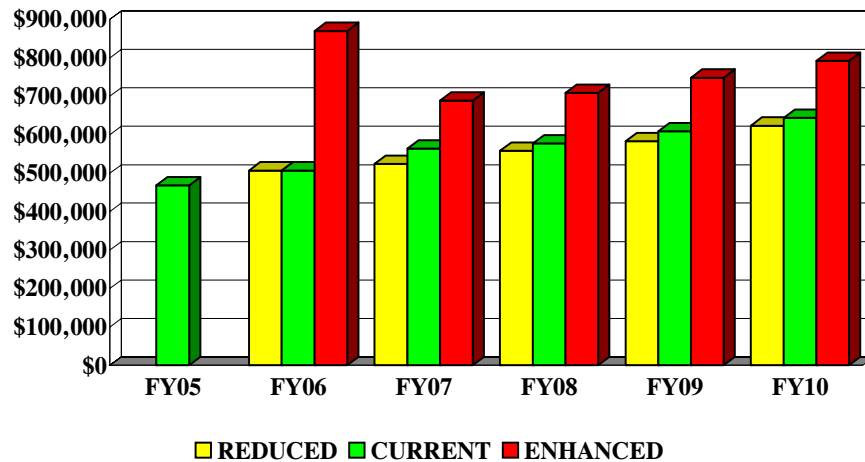
PUBLIC SERVICES-TRAFFIC OPERATIONS

Statement of Purpose

To provide the City with a resource capable of effectively monitoring and evaluating municipal traffic safety, traffic flow, and parking needs; then develop and implement programs designed to address those needs through a network of traffic signals, traffic control signs, pavement markings and parking control devices.

The group is also responsible for the installation and maintenance of a telecommunications system throughout the organization (excluding public safety telecommunications equipment).

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Monitor and evaluate traffic safety, flow and parking as needed
- Maintain and repair 100 traffic signals annually
- Maintain and repair 9,000+ traffic control signs
- Maintain 22,000 feet of crosswalk and stop bar markings
- Maintain 80 miles of yellow center line
- Maintain 700 directional arrows
- Maintain and repair 275 telephone sets
- Maintain and repair 3.2 miles of phone cable
- Install new phone sets and phone systems
- Install and repair computer cabling
- Provide on-call service for after hours repair to traffic signals and signs
- Provide on-call service for problems at tower site in Granite Quarry
- Install and remove mobile and base station radios
- Assist in studies to alleviate citizens' requests and complaints
- Perform electrical projects and repair within City departments
- Maintain the Brown Street Clock on the Square
- Provide trouble shooting and repair assistance to the Plaza
- Fabricate signs for City departments
- Provide traffic control in work zones for City departments

Reduced Service Level:

- Maintain City-owned signals, signs, and pavement markings only
- Eliminate in-house repair to City telecommunications systems
- Eliminate fabrication of signs for City departments
- Eliminate traffic control assistance to City departments
- Eliminate thermoplastic markings installation

Enhanced Service Level:

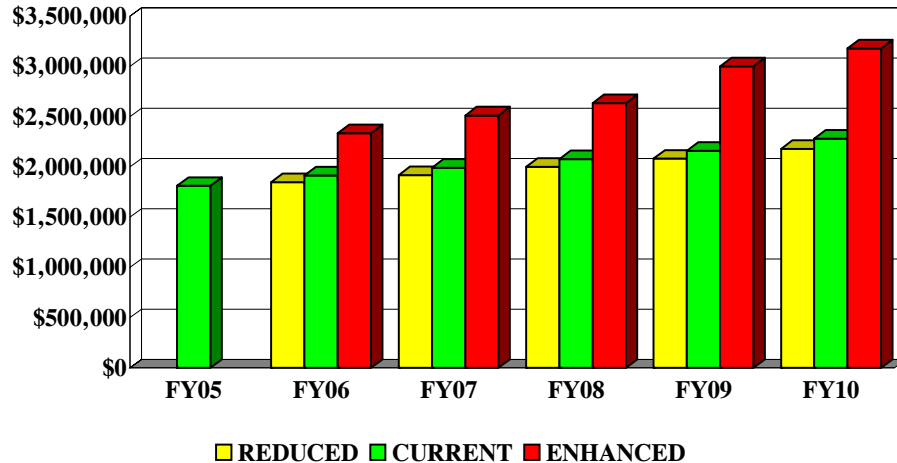
- Add one new crew in FY2006 to rejuvenate thermoplastic material, biannually
- Upgrade street name signs from 6" to 9"
- Upgrade stop signs to 36" high-intensity minimum
- Take over maintenance of all signals in the county
- Construct Traffic Operations facility

PUBLIC SERVICES-STREETS

Statement of Purpose

To plan, implement and manage the construction and maintenance of all City streets, sidewalks, drainage system and rights-of-way through a program of maintenance, construction, cleaning, and general beautification. To fund activities associated with street construction, maintenance, cleaning and rights-of-way maintenance as provided for by revenue received from the State of North Carolina through the Powell Bill Fund.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Install a minimum of 75 new driveway aprons annually
- Replace a minimum of 6,000 feet of sidewalk annually
- Repair approximately 1,200 feet of curb and gutter annually
- Construct, repair, and upgrade drainage systems within rights-of-way as needed
- Remove debris from streets and gutters within 45 working days on a rotating schedule
- Provide passable street conditions during periods of ice and snow, covering all City streets within an 8-hour period or as conditions allow
- Provide support to other divisions and departments with equipment and manpower as needed
- Use Powell Bill funds to provide pavement maintenance to 154 miles of city streets, resurface approximately 16 lane miles of city streets annually, and perform road maintenance to four miles of gravel streets
- Perform paving and patching of street cuts as a result of utility connections and service

Reduced Service Level:

- Defer purchase of capital equipment

Enhanced Service:

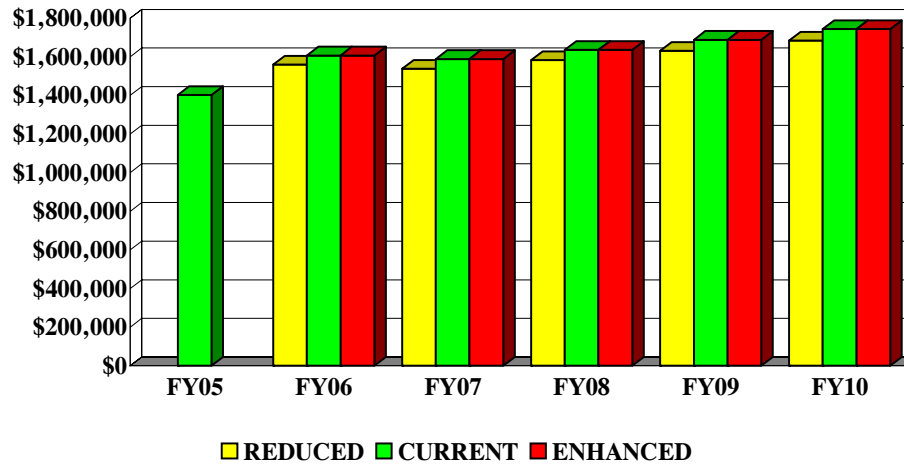
- Provide funding to increase sidewalk repairs/installations
- Add street sweeper to enhance removal of debris from streets and gutters within 30 working days
- Increase manpower and add equipment to upgrade street maintenance and concrete operations
- Enhance dry storage for equipment and materials
- Provide funds for target neighborhoods, utility strips, and drainage improvements
- Build an addition to current facility

PUBLIC SERVICES-WASTE MANAGEMENT

Statement of Purpose

To maintain a clean, healthy environment for the citizens of Salisbury through the regular collection, transportation, and disposition of industrial, commercial and residential refuse, and other debris using an effective, efficient system of waste management and recycling.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide once weekly curbside residential garbage and trash collection
- Provide multiple commercial collections by City crews
- Provide once weekly curbside recycling

Reduced Service Level:

- Eliminate one position which compromises daily collections

Enhanced Service Level:

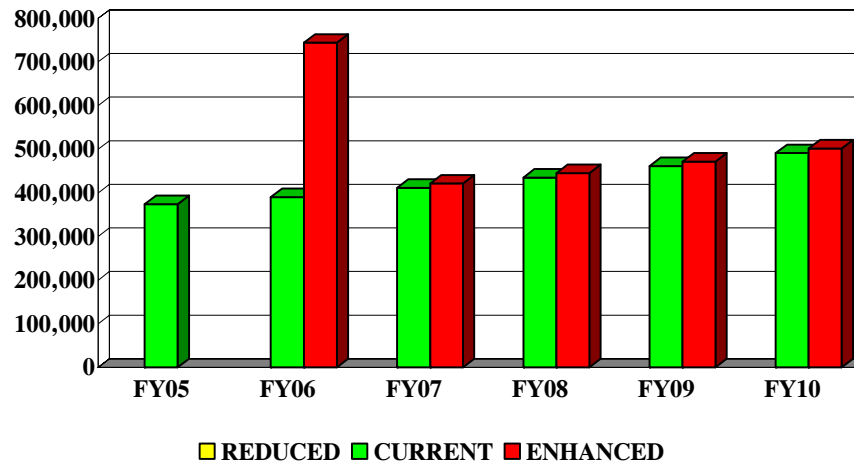
- No enhanced service level is proposed

PUBLIC SERVICES-WASTE MANAGEMENT-OTHER

Statement of Purpose

To provide the citizens of Salisbury with weekly limb and bagged yard debris collection to coincide with our current solid waste and recycling collection. During the months of October – March, curbside loose leaf collection is provided a minimum of every three weeks on a rotating schedule.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide yard debris collection weekly on same day as other collections
- Provide leaf collection every 3 weeks on a rotating schedule from mid October to the end of March using a vacuum machine

Reduced Service Level:

- Eliminate loose leaf collection
- Eliminate limb and yard waste collection

Enhanced Service:

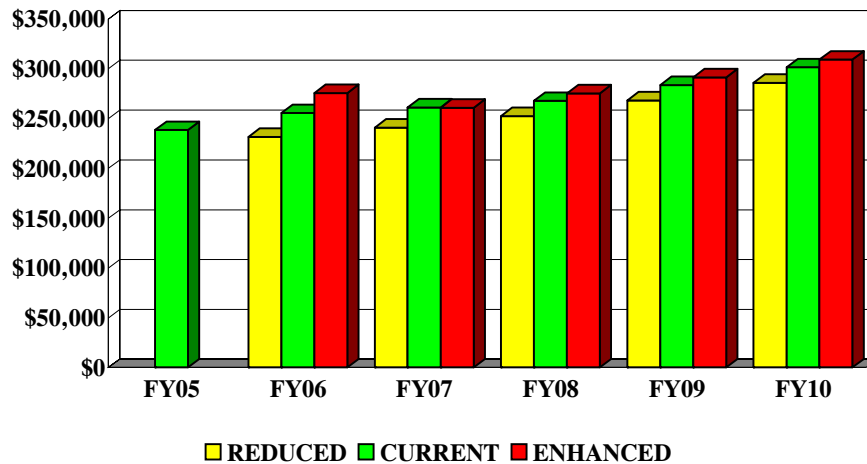
- Conduct pilot program for yard debris roll-out carts
- Purchase tub grinder

PUBLIC SERVICES-CEMETERY

Statement of Purpose

To operate, maintain and develop seven municipal cemeteries totaling 78.6 acres of publicly controlled burial grounds.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Offer, for sale, grave spaces in three of the seven municipal cemeteries
- Open 200 grave sites annually
- Maintain existing graves as required
- Mow all cemeteries biweekly

Reduced Service Level:

- Reduce frequency of mowing during summer months

Enhanced Service Level:

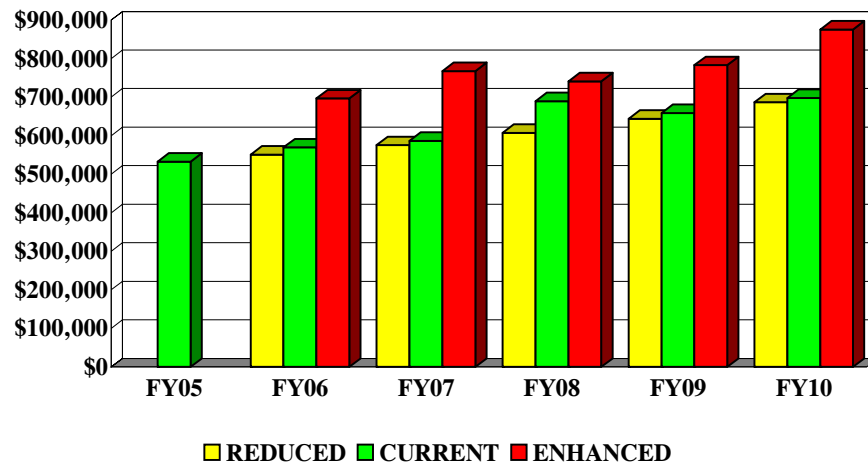
- Mow on nine day cycle
- Carry out improvements at Dixonville Cemetery

PUBLIC SERVICES-LANDSCAPE OPERATIONS DIVISION

Statement of Purpose

To provide a centralized resource for the management and development of City-owned landscapes and urban forest resources. To provide staff support to the Salisbury Tree Board; provide management of vegetation on City properties and rights-of-way; and ensure compliance with community standards regarding vegetative nuisances, unsanitary conditions and junked or abandoned vehicles on private property.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide mowing operations for 154 miles of street rights-of-way every 14 to 21 days; approximately 200 acres of parks and open space and over 100 parcels of public property every seven to ten days
- Maintain landscaped areas including trees, shrubs, turfgrass areas, and City facilities every ten to fourteen days
- Provide aerial lift truck for Christmas decorations, etc.
- Facilitate goals/objectives of Salisbury Tree Board and Community Appearance Commission: plant 500 trees and complete three to four landscape projects annually
- Perform tree safety maintenance along public rights-of-way and parks on a case-by-case basis
- Provide support to Street Division during snow removal and leaf collection
- Provide staff support to Public Services Director for special projects
- Provide maintenance for greenway to assist Parks and Recreation twice annually
- Provide maintenance for Eastern Gateway Park every seven to ten days
- Provide seasonal color change four times per year
- Provide trash removal along highly visible roadside areas every seven to ten days

Reduced Service Level:

- Provide mowing operations for street rights-of-way every 21 to 28 days and parks, open space, and public property every 14 to 21 days
- Implement/maintain landscape areas every 14 to 21 days
- Plant 150 to 200 trees annually and eliminate landscape projects
- Respond to nuisance abatement within 15 days

Enhanced Service Level:

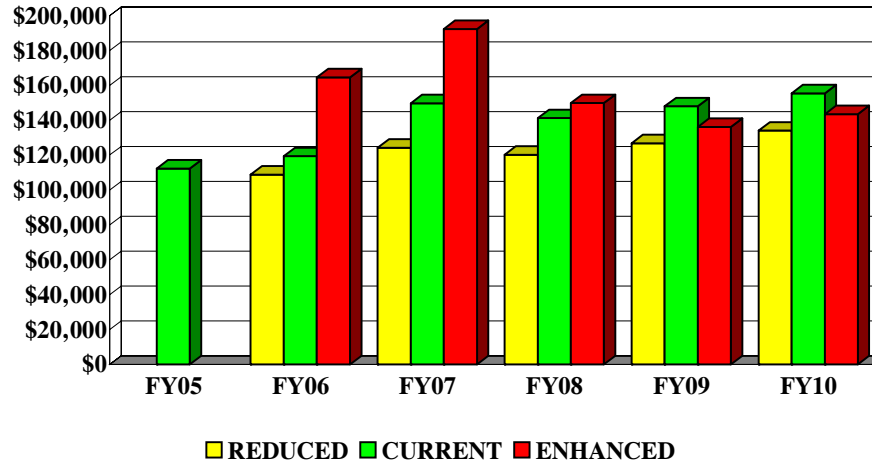
- Provide mowing operations for street rights-of-way every seven to ten days and parks, open space, and public property every 5 to 7 days
- Implement/maintain landscaped areas every seven to ten days
- Plant 700 to 800 trees and complete four to six landscape projects annually
- Implement a systematic tree safety maintenance program
- Increase scope of special projects

PUBLIC SERVICES-LANDSCAPING-HURLEY PARK

Statement of Purpose

To maintain and further develop the 15 acre Elizabeth Holmes Hurley Park in conjunction with J.F. Hurley Foundation and the City of Salisbury's Hurley Park Advisory Commission.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Maintain plant collections, trails, and display gardens daily
- Maintain records of daily park activities
- Apply agricultural chemicals as needed
- Generate Hurley Park newsletter, quarterly
- Administer and monitor park use
- Maintain structures, park furniture, and irrigation systems, daily
- Locate and procure plant materials/supplies
- Facilitate goals and objectives of Hurley Park Advisory Committee within the context of the Hurley Park Master Plan: complete three special projects, annually

Reduced Service Level:

- Maintain plant collections, trails, and display gardens once a week
- Eliminate records maintenance
- Eliminate Hurley Park newsletter
- Maintain structures, park furniture, and irrigation systems, weekly
- Complete one special project, annually

Enhanced Service Level:

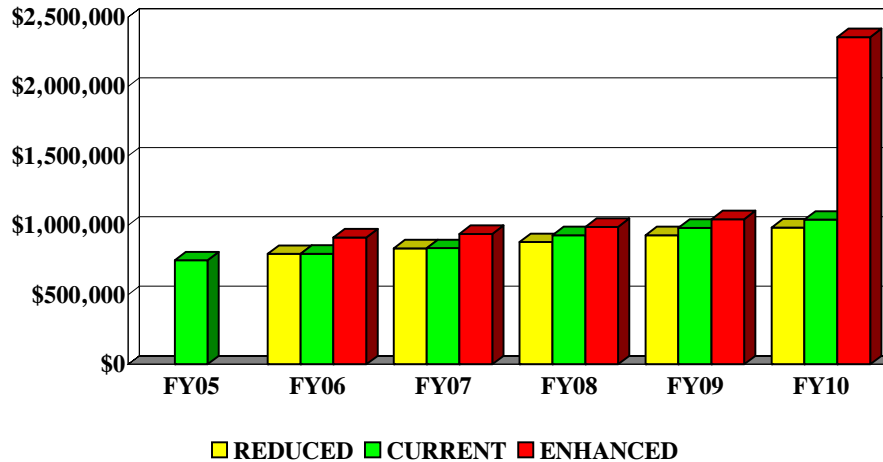
- Provide additional funds for park development
- Complete five special projects, annually

PUBLIC SERVICES-FLEET MANAGEMENT

Statement of Purpose

To provide a centralized resource for the management and repair of City vehicles and equipment; including Transit System buses and to offer expertise in the development of specifications used in the purchase of new vehicles and equipment.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Repair and maintain the City fleet
- Provide a comprehensive preventive maintenance program for the City fleet
- Prepare vehicle modifications as needed
- Load test Salisbury-Rowan Utilities generator sets
- Maintain emergency fuel truck and fuel supply
- Make replacement recommendations to the vehicle review committee
- Develop vehicle and equipment specifications
- Arrange vehicle and equipment demonstrations
- Obtain bids on vehicles and equipment under \$90,000
- Write purchase orders for vehicles and equipment under \$90,000
- Provide service calls for City of Salisbury and Salisbury-Rowan Utilities
- Maintain titles and licenses for City fleet
- Rebuild vehicle components
- Provide parts and supplies for the City fleet and other divisions' needs
- Maintain employee development through training
- Provide equipment and vehicle operator training
- Maintain the Salisbury Clean Air Project for vehicles and equipment
- Provide data for the North Carolina Local Government Performance Measurement Project

Reduced Service Level:

- Incur longer vehicle/equipment downtime for maintenance
- Incur declining level of technical abilities of personnel
- Reduce funding for capital outlay

Enhanced Service Level:

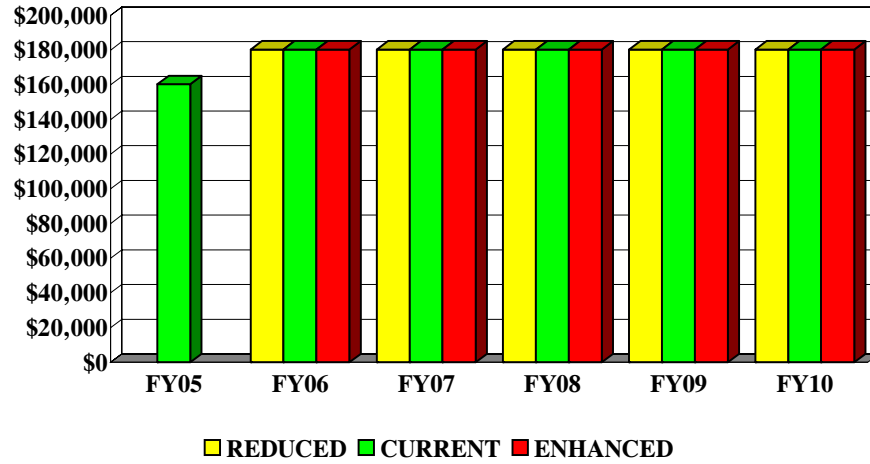
- Add Mechanic in FY2006
- Add parts technician to distribute workload
- Continue implementation of a fleet management computer system to track vehicle maintenance, cost, preventive maintenance, repair history, inventory control, productivity and life-cycle costs.
- Increase funding for capital outlay

PUBLIC SERVICES-TRANSPORTATION

Statement of Purpose

To provide for funding the City's share of the City Transit System.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide City supplement to Mass Transit operations

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

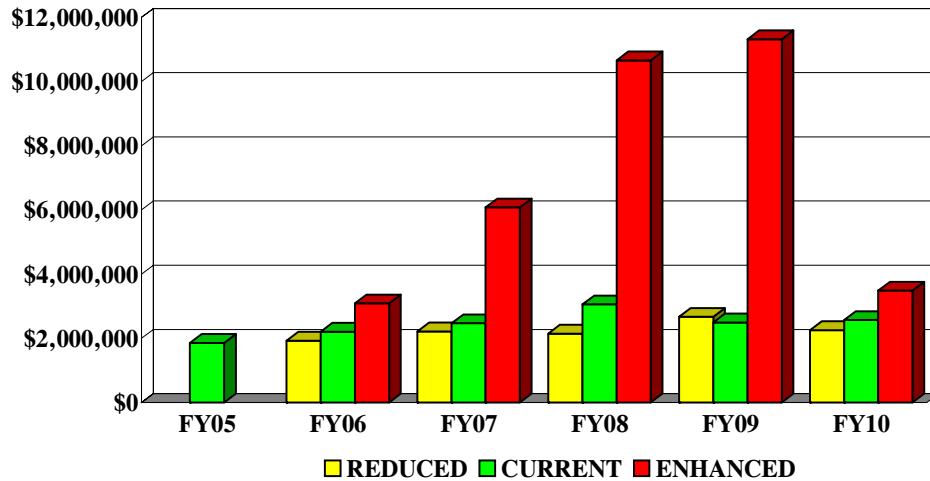
- No enhanced service level is proposed

PARKS AND RECREATION

Statement of Purpose

To provide the citizens of Salisbury with a variety of quality leisure services through safe, attractive, maintained parks and diversified programs that meet the current and future needs of the community.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide administration, planning, and development of a comprehensive park system, quality leisure activities, and programming
- Provide comprehensive youth/teen programming in athletics, crafts, workshops, camps, playgrounds, and afterschool activities at four facilities
- Provide comprehensive adult programming in athletics, fitness, craft classes, life skills, and enrichment workshops at four facilities
- Provide quality tennis programming for all residents at two locations on ten courts
- Provide special events and services for residents
- Provide Senior Citizen programming through support of the Ruffy-Holmes Senior Center
- Maintain all parkland, greenway, facilities, and playground equipment for the safety of all participants
- Make available for public use Parks and Recreation facilities for community events
- Provide a public pool for aquatic activities May - August
- Maintain 447 acres of parkland in 15 locations (mowing, trash collection, and repairs)
- Maintain three sections of Greenway approximately one mile in length
- Maintain and prepare for public and tournament use; nine ball fields, four soccer fields, nine outdoor basketball courts and one disc golf course
- Provide maintenance staff for the Salisbury Community Park and the Greenway
- Renovate the Sports Complex

Reduced Service Level:

- Delay program staff support of the Civic Center expansion until FY2008
- Delay maintenance support for the Salisbury Community Park until FY2007
- Defer funding for facility replacements/renovations

Enhanced Service Level:

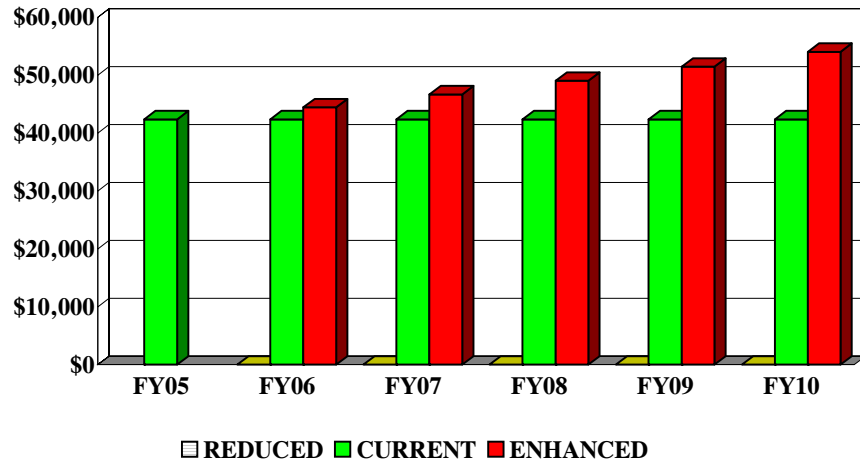
- Increase scope of capital funds for facility repairs and replacements
- Provide funding for construction of new Conference Center FY2007 – FY2009

EDUCATION

Statement of Purpose

To provide for funding the Supplementary Education System.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide a supplement to the Supplementary Education Center at historical levels

Reduced Service Level:

- Eliminate any supplement to Supplementary Education Center

Enhanced Service Level:

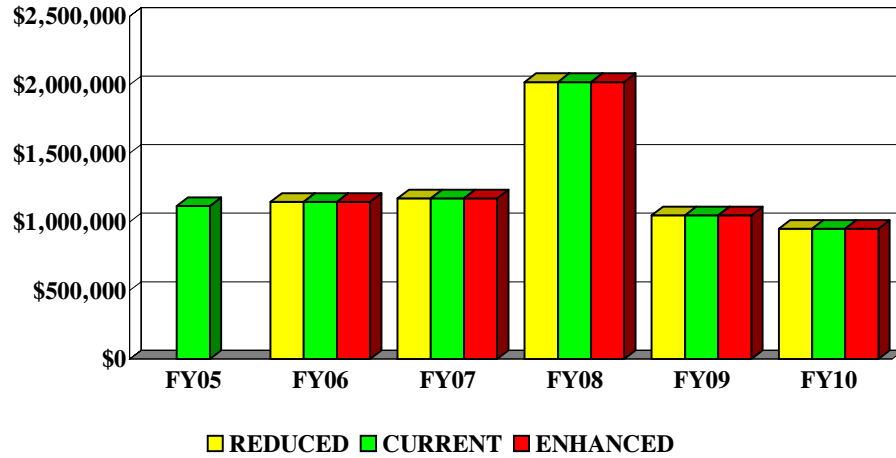
- Increase funding by 5% annually, which could be used to enhance curriculum materials or special projects

DEBT SERVICE

Statement of Purpose

To provide for the payment of interest and principal payments on outstanding General Fund debt.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide funding for the existing General Fund debt service

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

- No enhanced service level is proposed